have made some suggestions to run the company as a public sector company stalling its proposed sale to a private party; and

(b) if so, the details thereof and Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABH BHAI RAMJIBHAI KATHIRIA): (a) and (b) Yes Sir. The employees union have been opposing disinvestment in Jessop & Company claiming it to be strategic as it manufactures products required for Railway Transport System. Under the Policy, Railways *per se* is strategic and not suppliers of equipment thereto.

Modified voluntary retirement scheme for PSUs

2276. SHRI N.K. PREMACHANDRAN: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) the salient features of the Modified Voluntary Retirement Scheme (MVRS) for Central Public Sector Enterprises;

(b) whether it has come to the notice that there is a fall in compensation in MVRS than the previously notified Gujarat pattern of VRS in case of companies where revision of wages has taken place after 1st January, 1992;

(c) if so, whether the Government will allow option to the workers to opt the new MVRS or the previously notified Gujarat pattern of VRS; and

(d) the reaction of the Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABH BHAI RAMJIBHAI KATHIRIA): (a) to (d) The modified VRS was announced on 6.11.2001. The salient features are:

(i) *Ex-gratia* payment in respect of employees on pay scales at 1.1.1987 and 1.1.1992 levels, computed on their existing pay scales in accordance with the extant scheme, shall be increased by 100% and 50% respectively.

(ii) The option of the Gujarat or the DHI pattern shall be available to the employees of marginally profit/loss making, as well as sick and unviable units.

The present scheme is applicable uniformly to all CPSUs irrespective of their date of pay revision. The option of Gujarat pattern has been enlarged. While there may be a fall in *ex-gratia* since computation shall be based on 30 days instead of 26 days in a month, it should be offset inmost cases by the enhanced rate of compensation as in (i) above.

Cleaning up the balance sheets of PSUs

2277. SHRI C.P. THIRUNAVUKKARASU: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether Government propose to clean up the balance sheets of various public sector units to make them more attractive to bidders at the time of disinvestment;

(b) if so, the details thereof;

(c) whether Government are considering to give a counter-guarantee to companies for raising funds from market for their VRS;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABH BHAI RAMJIBHAI KATHIRIA): (a) and (b) Financial restructuring of CPSUs is undertaken on a case to case basis to facilitate disinvestment.

(c) to (e) when CPSUs do not have requisite internal resources, Government has a scheme of giving guarantee for raising funds for VRS from the market and 50% subsidy on interest.